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निगम वित्त विभाग Corporation Finance Department
RAC-Division of Issues and Listing 1

SEBI/HO/CFD/RAC-DIL1/OW/2024/12212/1

March 27, 2024

Afcon Infrastructure Limited
Afcons House
16, Shah Industrials Estate
Veera Desai Road
Azad Nagar P.O. Box No. 11978
Andheri (W), Mumbai - 400053

Kind Attention: Gaurang Parekh, Company Secretary

Sub- Application for seeking exemption under Regulation 300 of the ICDR Regulations in relation to the proposed initial public offering by Afcons Infrastructure Limited

Sir,

1. This has reference to your letter dated January 17, 2024 and further correspondences with the Merchant Banker, ICICI Securities Limited resting with March 18, 2024 on the captioned matter.
2. In the aforesaid communications, you have sought the following:
 - i. Under regulation 300(1)(a) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (hereinafter referred to as **ICDR Regulations**) for exemption of eligibility of specified securities for computation of minimum promoters' contribution (**MPC**) in terms of regulation 15 of the ICDR Regulations and
 - ii. Under regulation 300(1)(c) of the ICDR Regulations for exemption from identifying Eureka Forbes Limited (EFL), Forbes Facility Services Private Limited (FFSPL) and HPCL Shapoorji Energy Private Limited (HSEPL), as group companies of the Company as prescribed u/r 2(1)(t) of the ICDR Regulations.

Exemption from compliance of Regulation 15 of the ICDR Regulations

3. While seeking exemption from compliance with Regulation 15 of the ICDR Regulations, the Company and the Merchant banker have, *inter-alia*, submitted the following:
 - i. The CCPS were fully-paid up at the time of their issuance and have been in existence as of date of this application for more than a year and the capital has been invested in the Company for a period of more than one year. The CCPS have been converted into equity shares on January 13, 2024 and February 14, 2024.

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- ii. The percentage of promoters shareholding in the Company is 97.11% (81.23% as equity due to conversion of CCPS in January 13, 2024 and February 14, 2024) and the said fully-paid CCPS have been held by its promoters for a continuous period of more than one year.
4. Based on the circumstances of the case and the facts represented by the Company and the Merchant Banker, the Competent Authority has decided to accede to your request for granting exemption under Regulation 300 of ICDR Regulations. Accordingly, the resultant equity shares issued by the Company upon conversion of the fully-paid CCPS, since held for more than one year, shall be considered eligible for the purpose of compliance with the MPC requirement, to the extent there is a shortfall in meeting the MPC in terms of Regulation 15 of the ICDR Regulations.

Exemption from compliance of Regulation 2(1)(t) of the ICDR Regulations

5. Based on submissions made by the company and the Merchant Banker, it is observed that:
 - i. The Company was related party to EFL due to indirect shareholding of Shapoorji Pallonji and Company Private Limited (SPCPL), one of the promoter of the Company in EFL and the Company had related party transactions during the fiscal 2021. Further, EFL got demerged pursuant to a scheme of amalgamation approved by the Hon'ble NCLT, Mumbai vide order dated January 25, 2022 and vested into Forbes Enviro Solutions Limited (another fellow subsidiary of the Company). The shares of SPCPL in EFL transferred and hence EFL ceased to be a related party of the Company on February 01, 2022.
 - ii. The Company was related party to FFSPPL due to indirect shareholding of SPCPL, one of the promoter of the Company in FFSPPL and the Company had related party transactions during the fiscals 2021, 2022 and 2023. The shares of SPCPL in FFSPPL transferred and hence FFSPPL ceased to be a related party of the Company on June 30, 2022.
 - iii. The Company was related party to HSEPL due to indirect shareholding of SPCPL, one of the promoter of the Company in HSEPL and the Company had related party transactions during the fiscal 2021. The shares of SPCPL in HSEPL transferred and hence HSEPL ceased to be a related party of the Company on March 30, 2021.
6. Based on the circumstances of the case, the facts represented and submissions made by the Merchant Banker, the matter was examined and the competent authority has decided to accede to the request for exemption from identifying EFL as Group Company. Further, the competent authority has not acceded to the request for exemption from identifying FFSPPL and HSEPL, as group companies of the Issuer Company.



7. You are, therefore, advised as under:

- i. An appropriate Risk Factor shall be included in the Offer document disclosing the details of exemption, transaction details and business relationship between the Company and EFL.
- ii. To identify FFSP and HSEPL, as group companies of the Issuer Company and the applicable disclosures, shall be made in the offer document based on the information as available in the public domain.
- iii. An appropriate Risk Factor shall be included in the Offer document with respect to the disclosures relating to FFSP and HSEPL as group companies.

8. Further, this letter along with all your aforementioned communications shall be part of material contracts and documents for inspection as disclosed in the offer documents.

9. The exemptions are specific to the present case and shall not be treated as precedent.

Yours faithfully,


Sanjukta Mahala